

FINALIZED

Notes of Meeting of the 38th Shipping Consultative Committee

Date : 11 November 2011 (Friday)
Time : 3:00 p.m. – 4:30 p.m.
Venue : Conference Room A, Marine Department Headquarters, 24/F,
Harbour Building

Present

Chairman	Mr. Y. M. CHENG	Assistant Director / Multi-lateral Policy (Acting)
Members	Capt. Vikrant MALHOTRA	Anglo-Eastern Ship Management Ltd
	Capt. Umesh LULLA	Bernhard Schulte Shipmanagement (HK) Ltd Partnership
	Capt. LAM Kam-lee	COSCO (HK) Shipping Co. Ltd
	Mr. Dilip K NAIR	Fleet Management Ltd
	Mr. SHUM Yee-hong	Goldbeam International Ltd
	Ms Maggie CHEUNG	Mayer Brown JSM
	Ms Serina LEE	Merchant Navy Officers' Guild – Hong Kong
	Capt. ZHOU Wei	Orient Overseas Container Line Ltd
	Capt. Jay K PILLAI	Pacific Basin Shipping (HK) Ltd
	Capt. Lothair LAM	Parakou Shipping Ltd
	Mr. Renato MIU	SINOTRANS Shipping Ltd
	Dr. Ranjan VARGHESE	UNIVAN Ship Management Ltd
	Capt. Peter YUK	Wah Kwong Ship Management (HK) Ltd
	Mr. W. H. LEUNG	Chief / Maritime Policy
	Mr. C. H. TSO	Chief / Technical Policy
	Mr. M. Y. CHAN	General Manager / Ship Safety Branch
	Mr. S. T. LI	Senior Surveyor / Technical Policy 1
Secretary	Miss Venus CHANG	Executive Officer / Shipping & Multi-lateral Policy Divisions (1)

Absent with apologies

Mr. Arthur BOWRING	Hong Kong Shipowners Association
Capt. LI Chi-wai	Hong Kong Seamen's Union
Capt. YU Chi-ming	Merchant Navy Officers' Guild – Hong Kong
Capt. Pradeep CHAWLA	Anglo-Eastern Ship Management Ltd
Capt. NING Pao-kun	COSCO (HK) Shipping Co Ltd

FINALIZED

Mr. TIAN Zhong-shan
Capt. LU Jian-jian

SINOTRANS Shipping Ltd
Ocean Longevity Shipping & Management Co
Ltd

Opening remarks

Chairman welcomed all present appointed members to the meeting, in particular the newly appointed: **Ms Maggie CHEUNG** of Mayer Brown JSM; **Capt. ZHOU Wei** of Orient Overseas Container Line Ltd; **Capt. Umesh LULLA** of Bernhard Schulte Shipmanagement (HK) Ltd Partnership; **Mr. Dilip NAIR** of Fleet Management Limited; **Capt. Peter YUK** of Wah Kwong Ship Management (HK) Ltd; and **Capt. Lothair LAM** of Parakou Shipping Ltd. **Chairman** also introduced three stand-in members, who were **Capt. LAM Kam-kee** for Capt. NING Pao-kun of COSCO (HK) Shipping Co Ltd, **Mr. Renato MIU** for Mr. TIAN Zhong-shan of SINOTRANS Shipping Limited and **Capt. Vikrant MALHOTRA** for Capt. Pradeep CHAWLA of Anglo-Eastern Ship Management Ltd.

Agenda item 1 – Confirmation of the Minutes of the 37th Meeting held on 8 June 2011

2. The minutes of the 37th SCC meeting was confirmed without amendment.

Agenda item 2 – Maritime Security

Long range identification and tracking system (LRIT)

3. **Chairman** briefed the Committee about the development of the LRIT. The **Committee** noted that as at 8 November 2011, 1,586 Hong Kong registered ship had completed the LRIT conformance test satisfactorily, representing 96% of the total number of ships over 300 gross tonnages in the Hong Kong Shipping Registry (HKSR). In addition, the **Chairman** informed the Committee that a circular 1/2011 had been issued on 18 October 2011 which advised members of HKSR relevant to the conformance test.

4. **Mr. Umesh LULLA** commented about the discrepancy of the reading function of LRIT. He said that an error in reading the actual position of the ships happened occasionally, in particular at some blind spots in the Indian Ocean. **Mr. Y. H. SHUM** of Goldbeam International Ltd shared the view and supplemented that signal problem was also found near the area of heavy metal structure such as the crane of

FINALIZED

the terminal. **Chairman** asked members to provide feedback so that Marine Department (MD) could respond to the authority to follow up. In general, it had been accepted that the interference problem from heavy metal structure was inherent to the layout of the quayside and could be rectified only with the co-operation of the port authority.

Piracy attacks to Merchant ships

5. The **Committee** was learnt that 3 circulars regarding the topic had been issued by MD recently, one was sent out on 31 August 2011 namely Security and Quality Advisory No. 19 to alert shipowners on hijacking of ship inside territorial waters of Somali neighbouring States. The second one was released on 28 October 2011, namely Security and Quality Advisory No. 20 to alert shipowners of the possible increase of piracy activities after the monsoon weakened and the importance for the ship masters to follow the measures as advised by the BMP4 about sailing along the Somali area. The last one was issued on 11 November 2011 on the revised interim guidance to shipowners, ship operators and ship masters on the use of privately contracted armed security by persons on board ship in the high risk area, with enclosure of MSC.1405 revision 1.

6. **Chairman** then mentioned that IMO had issued 3 circulars on the recommendation for flag states regarding the private guard and also provided guidance for the shipowners. For Committee's information, **Chairman** announced that there were 2 attacks to Hong Kong flag ships since the last SCC meeting in June. The accumulated numbers of attack to Hong Kong ships up to November 2011 was 12.

7. In response to the question of **Mr. Dilip NAIR** about guarding against the piracy initiating from the authorities, **Chairman** said that IMO had tried to tackle the poverty problem, which was the root cause of piracy, around the area 3 years ago. At present IMO had developed the position on the flexibility to allow armed guard on board to protect the ships sailing across the gulf or high risk area. It was noted that all concerned governments were keeping their eyes on this issue by alerting their shipowners on the risk of their ships when sailing in that area or by sending their troop to provide convoy to ships in the region.

8. Various comments were received in the meeting regarding the convoy. **Mr. J. K. PILLAI** of Pacific Basin Shipping (HK) Ltd and **Mr. Dilip NAIR** were of the opinion that the piracy situation at Somali was threatening and the international bodies, such as IMO and UN, could work harder on solving the problem. **Chairman** concluded that ideas were welcome in combating the piracy issue noting

FINALIZED

that it was a complicated matter.

Agenda item 3 – New SOLAS Amendments

9. **Mr. C H TSO** of MD tabled **Appendix II** to members and presented the amendments which would enter into force on 1 January 2012: i) SOLAS Reg. II / 2.28 regarding the definition of Goal-Based Standards; ii) SOLAS Reg. II-1/3-10 regarding the Goal-based ship construction standards for bulk carriers and oil tankers; iii) SOLAS Reg. II-1/3-11 regarding the Corrosion protection of cargo oil tankers of crude oil tankers; iv) SOLAS Reg. II-2/4 regarding Gas Measurement and detection; v) FSS Code – Chapter 10 regarding the Smoke detection system for cargo spaces; vi) FSS Code – new Chapter 16 regarding Fixed hydrocarbon gas detection systems; and vii) LSA Code – Chapter 4 regarding Average mass of persons.

10. **Mr. C H TSO** then reported about the amendments that would enter into force on 1 July 2012: i) SOLAS Reg. II-2/3 regarding fire test procedure code (2010 FTP Code); ii) SOLAS Reg. II-2/7.4.1.3 regarding detection and alarm; iii) SOLAS Reg. V/18 regarding Automatic Identification System (AIS); iv) SOLAS Reg.V/19.2.2.3.3 regarding Bridge Navigational Watch Alarm System (BNWAS); v) SOLAS Reg.V/23 regarding Pilot Transfer Arrangements; vi) SOLAS Reg.V/23 regarding Pilot Transfer Arrangements; and vii) FSS Code – Chapter 9 regarding fire detection and alarm system. The **Committee** was reminded that MSIN would be issued in December 2011 for the above amendments. No further comment was received from the members.

Agenda item 4 – Implementation of MARPOL Annexes

11. **Mr. W H LEUNG** of MD told the Committee that there was no progress made on the local legislation of the revised MARPOL Annexes during the last 4 months. Regarding the revised MARPOL Annex II, the Environmental Protection Department (EPD) had informed MD that the construction of the barge for the collection of the waste Class I, Category 5, with a flash point below 23 degree Celsius would be completed by the mid of February 2012.

12. **Mr. W H LEUNG** then presented the **Appendix V** to members about the new MARPOL amendments adopted by MEPC 62. The following major amendments would come into force on 1 January 2013 as adopted in the 62nd session of Marine Environment Protection Committee of the IMO: i) MARPOL IV – Sewage, Sewage System (MEPC.200(62)); ii) MARPOL V – Garbage, Completely revised

FINALIZED

(MEPC.201(62)); iii) MARPOL VI – Air Pollution Prevention, EEDI SEEMP (MEPC.203(62)) and new ECA (MEPC.202(62)). **Mr. LEUNG** supplemented that the administrators might waive compliance with EEDI requirements for ships up to 4 years. MD would consider the 4-year waiver period in the application of the EEDI requirements for new Hong Kong registered ships while encouraging Hong Kong ship owners to comply with the EEDI requirements. EEDI Certificate would be issued to new ships to meet the EEDI requirement. In addition, a new ECA, i.e. the United States Caribbean Sea Emission Control Area was adopted by MEPC 202(62). The new ECA would be in force as from 1.1. 2014.

13. Concerning the calculation of the EEDI, **Dr. Ranjan VARGHESE** of UNIVAN Ship Management Ltd asked about the reference point. **Chairman** replied that there had been a formula established for the newbuildings based on statistics from different ship types.

Agenda item 5 – Maritime Labour Convention 2006

14. **Members** were told that by the end of October 2011, a total of 19 ILO member States (comprising 54% world fleet gross tonnage) have ratified the Convention. ILO anticipated that the Convention would meet its entry into force conditions (i.e. 30 member States of 33% world fleet gross tonnage) by the first quarter of 2012, thus enabling the Convention to enter into force internationally by the first quarter of 2013. MD was in the progress of drafting local legislation to give effect to the MLC, 2006 Convention and aimed at completing the local legislation in line with the global enforcement date. For the benefit of fine-tuning the drafting of the local legislation and for future implementation once the Convention entered into force, MD had carried out 2 mock MLC inspections on board HK registered container ship and one HK registered bulk carrier respectively. MD was preparing the MLC guidelines for shipowners and the guidelines should be ready by the end of 2011.

15. Further to the above, **Chairman** stated that MD had issued a circular in July 2011 of which listed 14 items in the Part 1 of the Declaration of MLC Certificate that HK registered ships should comply with.

16. **Capt. Vikrant MALHOTRA** wanted to know if the MLC, 2006 would come into force by phase and the Committee learned that there would be a 12-month delay period for some ships types on the compliance as given by one of the resolutions of the MLC, 2006 adopted in February 2006. **Chairman** also pointed out that the MLC, 2006 inspection required mainly the documentation inspection and Hong Kong registered ships should not have much problem in meeting the requirements.

FINALIZED

17. **Capt. Vikrant MALHOTRA** asked if a MLC, 2006 certificate issued before it came into force globally would be valid after the international enforcement date. He was told that the certificate should be valid provided that the issuing administration had the legal backing for the issuance.

Agenda item 6 – Voluntary IMO Member State Audit Scheme

18. **Mr C H TSO** reported to the Committee about update of the subject. The audit on MD had been completed in March 2010 and the final report had been concluded in December 2010. MD was found with 1 Observation and 1 Non-conformity (NC). Regarding the 1 observation of not appointing surveyors in accordance with the requirements of the various sets of local legislation, MD had completed a comprehensive review of the local maritime legislation earlier this year and the appointment exercise of surveyors in accordance with the requirement of our local legislation had been accomplished in March 2011. MD would conduct an annual review as a preventive measure to ensure the appointment of surveyors would be kept updated. Concerning the 1 NC of the backlog on legislation, including SOLAS, Loadlines, MARPOL and STCW, MD had reached an agreement with Department of Justice (DoJ) for deploying a Senior Government Counsel to solely look after the maritime legislation and to clear the backlog. This proposal had been agreed by Civil Service Bureau (CSB) and recruitment was underway.

19. Concerning the backlog of the legislation, **Mr. Dilip NAIR** expressed his worry about the manpower of MD. **Chairman** commented that indeed the entire shipping industry was facing the shortage problem in the human resources. He emphasized that Transport and Housing Bureau (THB), the policy bureau of MD, had been focusing on this seriously and expected that the manpower situation would be on the right track soon. Despite the fact that the MD was not at its full strength, **members** took this opportunity to appreciate the above standard quality of work delivered by the Department.

Agenda item 7 – Implementation of the International Convention on Control of Harmful Anti-fouling Systems on Ships (AFS Convention) in the HKSAR

20. **Members** was informed that no progress on the drafting of AFS Convention from DoJ as the attention was drawn to the local legislation of the MLC, 2006 and the STCW. Nevertheless, Classification Societies had been authorized to carry out surveys as required by the Convention and to issue a “Statement of Compliance “on

behalf of the HKSAR Government.

Agenda item 9 – Any Other Business

21. **Mr. M Y CHAN** of MD introduced the **Appendix VI**, namely Establishment of Quality Assurance System in Ship Management Companies, to the Committee. **Members** were told that the shipping companies should conduct internal review and propose for improvements for the fleet's performance regularly. Shipping companies were encouraged to set up a quality assurance system at the earliest possible, not later than September 2012, and to keep proper records from October 2012 onwards, which was to be checked in the DOC audit by Classification Societies starting from 2013. MD would issue guidelines about this system by December 2011. **Mr. CHAN** also explained that SQA of MD would assist those companies which had not set up the quality assurance system internally. Shipping companies were expected to submit a unified benchmarking report and other relevant information to MD on half-yearly basis. Feedbacks were received from **Capt. Umesh LULLA** and **Mr. Dilip NAIR**, they appreciated the set up of the system and trusted it would be beneficial to the shipping companies.

22. **Mr. W H LEUNG** raised the issue of the smoke emission in Hong Kong waters, which was regulated under the Shipping and Port Control Ordinance Cap.313 and Merchant Shipping (Local Vessels) Ordinance Cap.548. **Appendix IV** was tabled for members' information. **Committee** was advised that Ringelmann Chart was being used for measuring the smoke emission and the Port Control Division (PCD) of this Department had proposed legislative amendments to tighten the requirements stated in Cap. 313 and 548 and this was being reviewed by THB at the moment. **Mr. LEUNG** drew the Committee's attention to the number of cases related to smoke emission handled by PCD, as presented in the **Appendix IV**. Advisory letters or warning letters, depending on the seriousness, were issued to owners or operators to request them to take remedial action to improve the vessels' smoke emission. In 2010, MD had initiated a prosecution against a vessel for having emitted smoke nuisance and the master was convicted and fined \$2,500.

23. Regarding the smoke emission, **Chairman** pointed out that the Ringelmann Chart was not yet mentioned in the involved legislations. Cap. 313 and 548 were still in good force to protect against the black smoke emission, inspectors from different Government's departments and a number of public were trained to use the Ringelmann Chart to assess the dark smoke levels of vessels plying in the Hong Kong waters.

FINALIZED

24. **Appendix III** of the Casualty Statistics for Hong Kong registered sea-going ships were tabled by **Chairman** in the Committee. He explained that as of 31 October 2011, the Marine Accident Investigation Section had received 10 shipping casualty reports from Hong Kong registered ocean-going ships. It comprised of 6 collisions, 2 groundings, 1 contact and 1 fire & explosion accidents. Of these casualties, one was a very serious collision accident causing three crewmembers missing from a local barge; the other one was a serious boiler fire and explosion accident rendering three engine room crewmembers injured. In the same period, there were four (4) fatal occupational health and safety casualties happened on board Hong Kong registered ships.

25. In the year of 2010, the Marine Accident Investigation Section received 65 shipping casualty reports from Hong Kong registered ocean-going ships. It comprised of 21 collisions, 17 groundings, 6 fire & explosion and 47 other type of accidents. Of these casualties, one was a very serious collision accident causing 8 people missing from a fishing vessel. Another one was a very serious collision accident resulted in sinking of Hong Kong ship. Besides, there was one serious fire and explosion accident without loss of life. In the same period, there were five (5) fatal occupational health and safety casualties happened on board Hong Kong registered ships.

26. Further to this safety issue, **Chairman** announced that MD would organize a safety seminar with Guangdong MSA, especially for the mid-stream operators to enhance their safety awareness.

27. **Mr. W H LEUNG** brought up the matters of recognition of Certificates under STCW. Members noted that a unilateral STCW Undertaking was signed between Lithuanian MSA and MD to allow MD to issue HK License to Lithuanian CoC holders to work onboard Hong Kong registered ships. The Undertaking had come into effect on 17 August 2011.

28. Being no further business, the meeting was adjourned at 4:30 p.m. The date of the next meeting would be announced in due course.

Secretariat
Multi-lateral Policy Division
Marine Department
February 2012